



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-882]

Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review, 2020

AGENCY: Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that certain producers/exporters of certain cold-rolled steel flat products (cold-rolled steel) from the Republic of Korea (Korea) received countervailable subsidies during the period of review (POR) January 1, 2020, through December 31, 2020, while other producers/exporters (*i.e.*, Hyundai Steel Co., Ltd., also referred to as Hyundai Steel Company (Hyundai Steel) and POSCO) received *de minimis* net countervailable subsidies during the POR. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Tyler Weinhold or Harrison Tanchuck, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1121 and (202) 482-7421, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 5, 2021, Commerce published a notice of initiation of administrative review of the countervailing duty (CVD) order on cold-rolled steel from Korea.¹ On December 1, 2021, Commerce selected Hyundai Steel and POSCO as mandatory respondents in

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 61121 (November 5, 2021).

this administrative review.² On April 12, 2022, Commerce extended the deadline for the preliminary results of this review.³

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁴ A list of topics discussed in the Preliminary Decision Memorandum is included at Appendix I to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Order

The merchandise covered by the order is cold-rolled steel. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution from an authority that gives rise to a benefit to the recipient, and that the subsidy is specific.⁵ For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Companies Not Selected for Individual Review

² See Memorandum, "Countervailing Duty Administrative Review of Cold-Rolled Steel Flat Products from the Republic of Korea: Selection of Respondents," dated December 1, 2021. The petitioners requested a review of "Hyundai Steel Co., Ltd.," while Hyundai Steel requested a review of "Hyundai Steel Company." We selected Hyundai Steel Co., Ltd., also referred to as Hyundai Steel Company as a mandatory respondent, based on the entry volume of exports of subject merchandise during the POR. We combined the entry quantities of Hyundai Steel Co., Ltd., based on the company specific case number which appears in the CBP data.

³ See Memorandum, "Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 2020," dated April 12, 2022.

⁴ See Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review; 2020: Certain Cold-Rolled Steel Flat Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁵ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

The statute and Commerce’s regulations do not directly address the CVD rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation. Section 777A(e)(2) of the Act provides that “the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}.” Section 705(c)(5)(A) of the Act states that for companies not investigated, in general, we will determine an all-others rate by weight-averaging the countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available.

Accordingly, to determine the rate for companies not selected for individual examination, Commerce’s practice is to weight average the net subsidy rates for the selected mandatory companies, excluding rates that are zero, *de minimis*, or based entirely on facts available.⁶ In this review, we preliminarily calculated *de minimis* subsidy rates for each of the mandatory respondents (*i.e.*, Hyundai Steel and POSCO) during the POR. In CVD proceedings where the number of respondents being individually examined has been limited, Commerce has determined that a “reasonable method” to use to determine the rate applicable to companies that were not individually examined when all the rates of selected mandatory respondents are zero or *de minimis* or based entirely on facts available, is to assign to the non-selected respondents the average of the most recently determined rates for the mandatory respondents (*i.e.*, Hyundai Steel and POSCO) that are not zero, *de minimis*, or based entirely on facts available.⁷ However,

⁶ See, e.g., *Certain Pasta from Italy: Final Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 37386, 37387 (June 29, 2010).

⁷ See, e.g., *Circular Welded Carbon Steel Pipes and Tubes from Turkey: Final Results of Countervailing Duty Administrative Review; Calendar Year 2012 and Rescission of Countervailing Duty Administrative Review, in Part*, 79 FR 51140, 51141 (August 27, 2014); and *Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2012*, 79 FR 46770 (August 11, 2014), and accompanying Issues and Decision Memorandum (IDM), at “Non-Selected Rate”; and *Steel Concrete Reinforcing*

where a non-selected respondent has its own calculated rate in a prior segment of the proceeding, Commerce has found it appropriate to apply the prior rate that represents the most recently calculated rate for that respondent, unless Commerce determines that prior rate to be obsolete..⁸

We have determined that it is appropriate to assign to the companies subject to the review, but not selected for individual examination, the weighted average of the most recently calculated countervailable subsidy rates that are not zero or *de minimis* rates, or based solely on facts available from the prior review (*i.e.*, *CRS Third Admin Review Final Results*), *i.e.*, 1.93 percent.⁹ Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd. are non-selected respondents for whom Commerce calculated a countervailable subsidy in the *CRS Third Review Final Results*. Commerce has found it appropriate to apply that calculated rate to Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd. in this review. For a list of the companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent, *see* Appendix II to this notice.

Preliminary Results of the Review

As a result of this review, we preliminarily determine the net countervailable subsidy rates to be:

Bar from the Republic of Turkey: Preliminary Results of Countervailing Duty Administrative Review and Intent To Rescind the Review in Part; 2017, 85 FR 3030 (January 17, 2020), and accompanying Preliminary Decision Memorandum, at “Non-Selected Rate,” unchanged in *Steel Concrete Reinforcing Bar from the Republic of Turkey: Final Results and Partial Rescission of Countervailing Duty Administrative Review*; 2017, 85 FR 42353 (July 14, 2020), and accompanying IDM, at “Non-Selected Rate.”

⁸ *Id.*

⁹ *See Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review*; 2018, 86 FR 40465 (July 28, 2021) (*CRS Third Admin Review Final Results*).

Producer/Exporter	Subsidy Rate (percent <i>ad valorem</i>)
Hyundai Steel Co., Ltd., also referred to as Hyundai Steel Company ¹⁰	0.27 percent (<i>de minimis</i>)
POSCO ¹¹	0.34 percent (<i>de minimis</i>)
Non-Selected Companies Under Review ¹²	1.93 percent
Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd. ¹³	9.18 percent

Verification

As provided in section 782(i)(3) of the Act, Commerce intends to verify the information relied upon for its final results.

Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assign subsidy rates in the amounts shown above for the producer/exporters shown above. Upon issuance of the final results, consistent with section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. If the assessment rate calculated in the final results is zero or *de minimis*, we will instruct CBP to liquidate all appropriate entries without regard to countervailing duties. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the

¹⁰ As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with Hyundai Steel: Hyundai Green Power Co. Ltd.

¹¹ As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with POSCO: Pohang Scrap Recycling Distribution Center Co. Ltd.; POSCO Chemical; POSCO M-Tech; POSCO Nippon Steel RHF Joint Venture Co., Ltd.; and POSCO Terminal. The subsidy rate applies to all cross-owned companies. We note that POSCO has an affiliated trading company through which it exported certain subject merchandise, POSCO International Corporation (POSCO International). POSCO International was not selected as a mandatory respondent, but was examined in the context of POSCO. Therefore, there is not an established rate for POSCO International and POSCO International's subsidies are accounted for in terms of POSCO's total subsidy rate. Instead, entries of subject merchandise exported by POSCO International will receive the rate of the producer listed on the entry form with CBP. Thus, the subsidy rate applied to POSCO and POSCO's cross-owned affiliated companies is also applied to POSCO International for entries of merchandise produced by POSCO.

¹² See Appendix II.

¹³ As described above, while Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd. are non-selected respondents, because each received a calculated rate in a prior review (*i.e.*, *CRS Third Admin Review Final Results*), Commerce has found it appropriate to apply that calculated rate to that to Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd. in this review.

Federal Register. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts indicated above with regard to shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review, except, where the rate calculated in the final results is zero or *de minimis*, no cash deposit will be required. For all non-reviewed firms, CBP will continue to collect cash deposits at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We intend to disclose to interested parties the calculations for these preliminary results within five days of the date of publication of this notice.¹⁴ A timeline for the submission of case and rebuttal briefs and written comments will be provided to interested parties at a later date.¹⁵ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹⁶ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹⁷ All briefs must be filed electronically using Enforcement and Compliance's ACCESS system.

¹⁴ See 19 CFR 351.224(b).

¹⁵ See 19 CFR 351.309(c) and (d).

¹⁶ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

¹⁷ See 19 CFR 351.309(c)(2) and 351.309(d)(2).

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, using Enforcement and Compliance's ACCESS system within 30 days after the date of publication of this notice.¹⁸ Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and to be determined. Parties should confirm time and date of the hearing two days before the scheduled date.

Unless the deadline is extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised by interested parties in any written briefs, within 120 days after the date of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Notification to Interested Parties

These preliminary results are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213 and 19 CFR 351.221(b)(4).

Dated: September 30, 2022.

Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.

¹⁸ See 19 CFR 351.310(c).

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Review
- IV. Scope of the *Order*
- V. Rate for Non-Examined Companies
- VI. Subsidies Valuation Information
- VII. Analysis of Programs
- VIII. Recommendation

Appendix II

List of Non-Selected Companies

1. AJU Steel Co., Ltd.
2. Amerisource Korea
3. Amerisource International
4. BC Trade
5. Busung Steel Co., Ltd.
6. Cenit Co., Ltd.
7. Daewoo Logistics Corp.
8. Dai Yang Metal Co., Ltd.
9. DK GNS Co., Ltd
10. Dongbu Incheon Steel Co., Ltd.¹⁹
11. Dongbu Steel Co., Ltd.²⁰
12. KG Dongbu Steel Co., Ltd. (formerly Dongbu Steel Co., Ltd.)
13. Dong Jin Machinery
14. Dongkuk Industries Co., Ltd.
15. Dongkuk Steel Mill Co., Ltd.
16. Eunsan Shipping and Air Cargo Co., Ltd.
17. Euro Line Global Co., Ltd.
18. Golden State Corp.
19. GS Global Corp.
20. Hanawell Co., Ltd.
21. Hankum Co., Ltd.
22. Hyosung TNC Corp.
23. Hyuk San Profile Co., Ltd.
24. Hyundai Group
25. Iljin NTS Co., Ltd.
26. Iljin Steel Corp.
27. Jeon Pung Industrial Co., Ltd.
28. JT Solution
29. Kolon Global Corporation
30. Nauri Logistics Co., Ltd.
31. Okaya (Korea) Co., Ltd.
32. PL Special Steel Co., Ltd.
33. POSCO C&C Co., Ltd.
34. POSCO Daewoo Corp.
35. POSCO International Corporation.
36. Samsung C&T Corp.
37. Samsung STS Co., Ltd.
38. SeAH Steel Corp.
39. SM Automotive Ltd.
40. SK Networks Co., Ltd.
41. Taihan Electric Wire Co., Ltd.
42. TGS Pipe Co., Ltd.
43. TI Automotive Ltd.

¹⁹ As described above, while Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd. are non-selected respondents, because each received a calculated rate in a prior review (*i.e.*, *CRS Third Admin Review Final Results*), Commerce has found it appropriate to apply that calculated rate to that to Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd.

²⁰ See footnote 24.

44. Xeno Energy

45. Young Steel Co., Ltd.

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